

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3056-01
Bill No.: HB 982
Subject: Health Care Professionals; Licenses - Professional; Nurses
Type: Original
Date: January 31, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Nursing	\$0	(\$335,591)	(\$291,856)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(\$335,591)	(\$291,856)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education, Department of Mental Health, Department of Corrections, Department of Social Services, Office of Secretary of State, Cedar County Memorial Hospital and Putnam County Memorial Hospital** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Health and Senior Services (DOH)** state the proposal would not be expected to fiscally impact the operations of the DOH. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (PR)** assume implementation of the proposal will require utilizing an additional 2.0 FTE Investigator II in FY 08 (\$39,288 annual salary each) to assist the board in conducting investigations as a result of the increase in complaints received and 2.0 FTE Office Support Assistant - Keyboarding in FY 08 (\$22,272 annual salary each) to provide administrative support in record retrieval and expungement. The DED-PR assumes rental space will be needed for these additional FTE at an annual cost of approximately \$11,528. The DED-PR assumes equipment costs, including vehicles, for the additional FTE will be \$50,580 in FY 08 and \$2,970 for FY 09.

ASSUMPTION (continued)

The DED-PR assumes that the board will have to conduct additional committee reference calls to review investigative reports. Each member of the board (9) receives per diem of \$50 for conducting board business. It is assumed there would be at least one (1) additional call each year costing \$450 (9 members X \$50).

The Board of Nursing estimates that there will be approximately 326 additional complaints per year. The Board currently receives 900 complaints per year and 36% of nurses currently licensed are not working at a facility that is a mandated reporter. It is assumed that the additional complaints and investigations would not start until FY 08.

The DED-PR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO). The DED-PR estimates 25% of the investigations (24) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, DED-PR estimates \$129,600 annually in legal costs to the AGO beginning in FY 08.

The costs provided above do not include any funds for expunging records as the DED-PR can't determine the demand. The DED-PR predicts the demand will increase.

Oversight has, for fiscal note purposes only, changed the starting salary for two (2) Investigator II and two (2) Office Support Assistant - Keyboarding to correspond to the first step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight assumes the DED-PR will not require rental space for the additional staff requested as a result of this proposal.

Officials from the **Office of Attorney General (AGO)** did not respond to our request for a statement of fiscal impact.

Oversight assumes any costs incurred by the AGO in assisting with complaints and investigations would be reimbursed by the DED-PR, Board of Nursing.

Officials from **Barton County Memorial Hospital, Bates County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Medical Center and Washington County Memorial Hospital** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
NURSING FUND			
<u>Costs - Department of Economic Development</u>			
Personal service (4 FTE)	\$0	(\$108,017)	(\$110,707)
Fringe benefits	\$0	(\$47,394)	(\$48,579)
Equipment and expense	\$0	(\$50,580)	(\$2,970)
AGO costs	\$0	(\$129,600)	(\$129,600)
Total <u>Costs</u> - Department of Economic Development	<u>\$0</u>	<u>(\$335,591)</u>	<u>(\$291,856)</u>
ESTIMATED NET EFFECT ON NURSING FUND	<u>\$0</u>	<u>(\$335,591)</u>	<u>(\$291,856)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal could impact small businesses that employ nurses as they would be required to report disciplinary action taken against nurses to the Board of Nursing.

DESCRIPTION

This proposal requires the State Board of Nursing to file a complaint with the Administrative Hearing Commission before any documentation may appear on file or any disciplinary action is taken against a licensed nurse because of a complaint. If no action is taken by the board, at the request of the licensee, all records regarding the complaint will be expunged. Currently, only records of complaints filed by persons in the custody of the Department of Corrections may be expunged.

Any employers of registered nurses, including nurse agencies, are required to report to the board any disciplinary action taken against a licensee, including the termination of contracted services due to complaints.

DESCRIPTION (continued)

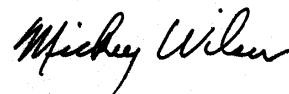
Disciplinary action must be deemed final after any licensed nurse has exhausted his or her rights under any existing grievance and arbitration procedure.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development -
 Division of Professional Registration
Department of Elementary and Secondary Education
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Social Services
Office of Secretary of State
Cedar County Memorial Hospital
Putnam County Memorial Hospital

NOT RESPONDING: Office of Attorney General, Barton County Memorial Hospital, Bates County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Medical Center and Washington County Memorial Hospital



Mickey Wilson, CPA
Director
January 31, 2006